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August 24, 2007

## VIA ELECTRONIC FILING

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Re: CC Docket No. 96-45  
Petitions of TracFone Wireless, Inc. for Designation as  
an Eligible Telecommunications Carrier  
NOTICE OF EX PARTE PRESENTATION

Dear Ms. Dortch:

In 2004, TracFone Wireless, Inc. filed with the Commission petitions for designation as an Eligible Telecommunications Carrier (ETC) in eight states -- New York, Florida, Virginia, Connecticut, Massachusetts, North Carolina, Tennessee, and Alabama. In September 2005, the Commission unanimously approved TracFone's petition for forbearance pursuant to Section 10 of the Communications Act (47 U.S.C. § 160) so as to allow TracFone to be designated as an ETC for the limited purpose of offering Lifeline service, notwithstanding the fact that it provides service by the resale of other providers' networks. Despite the passage of more than three years since filing of TracFone's first ETC petitions and the passage of nearly two years since the Commission acted favorably on the petition for forbearance, TracFone's ETC petitions remain pending and it is not yet allowed to offer its proposed innovative wireless Lifeline programs to qualified low income consumers.

On August 14, 2007, two major national consumer groups -- Consumer Action and the National Grange of the Order of Patrons of Husbandry -- filed with the Commission an ex parte letter in support of TracFone's ETC designation petitions and requesting prompt action on TracFone's ETC petitions. In that letter, Consumer Action and the National Grange identified the

importance of wireless Lifeline services like those proposed by TracFone, stating as follows: *"As the future of communications moves to wireless, the disadvantaged members of our society should not be left behind. Payphones are almost extinct - and the ones that are available to consumers do not offer features that so many of us rely upon today, voice and text messaging. Low-income consumers are experiencing not just a digital divide, but also a telephone fracture - without access to prevalent wireless technologies, they are not able to participate fully in society."*

Consumer Action and the National Grange have raised important points regarding the availability of wireless Lifeline programs. For that reason, attached to this letter is a copy of the Consumer Action/National Grange letter. TracFone respectfully urges each member of the Commission to give careful consideration to the points raised by those two well-respected consumer groups.

Pursuant to Section 1.1206 of the Commission's rules, this letter is being filed electronically. Please direct any questions regarding this letter to undersigned counsel for TracFone.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Mitchell F. Brecher', with a long horizontal flourish extending to the right.

Mitchell F. Brecher

Enclosure

cc: The Honorable Kevin J. Martin  
The Honorable Michael J. Copps  
The Honorable Jonathan A. Adelstein  
The Honorable Debra Taylor Tate  
The Honorable Robert M. McDowell  
Mr. Ian Dillner  
Mr. Scott M. Deutchman  
Mr. Scott Bergmann  
Mr. Chris Moore  
Mr. John W. Hunter

# Consumer Action

Education and Advocacy Since 1971



Marlene H. Dortch  
Office of the Secretary  
Federal Communications Commission  
445 12th Street, SW  
Washington, DC 20554

August 14, 2007

**Re: Federal Communications Commission [CC Docket No. 96-45]**  
***Support for the petition by TracFone Wireless, Inc. for Designation as an Eligible Telecommunications Carrier (ETC) in the states of VA, FL, MA and NY***

Dear Ms. Dortch:

Telecommunications services have a profound impact on modern living. From connecting us to family and friends, to helping us obtain work, manage daily routines or call for emergency assistance, it is clear that these services are a necessity in everyday life. Given the importance of phone service, it's astonishing that FCC data reveals that approximately two-thirds of all eligible Lifeline households in the U.S. do not participate in the Lifeline support program. Only 6.8 million out of 21 million eligible Americans currently receive Lifeline support for their telephone service, based on 2005 forecasts.

As organizations dedicated to protecting and helping consumers, Consumer Action<sup>1</sup> and the National Grange of the Order of Patrons of Husbandry<sup>2</sup> believe that all carriers able to meet the service obligations of Lifeline should be permitted to serve Lifeline customers so that low-income Americans have the same access to wireless and competitive services as do other consumers. That is why we are writing today to support the petition by TracFone Wireless, Inc. for Designation as an Eligible Telecommunications Carrier (ETC) in the states of Virginia, Florida, Massachusetts and New York (FCC Docket 96-45).

Wireless telephone service has become an essential for most Americans as well as their families and friends overseas. However, for low-income Americans struggling to pay their monthly bills for landline service, wireless service may be unaffordable. In addition, a negative credit history

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<sup>1</sup> Consumer Action ([www.consumer-action.org](http://www.consumer-action.org)) is a national non-profit consumer education and advocacy organization founded in San Francisco in 1971. Consumer Action serves consumers, community-based agencies and its members nationwide by advancing consumer rights, referring consumers to complaint-handling agencies and training community group staff on the effective use of its educational materials. Consumer Action also advocates for consumers in the media and before lawmakers and compares prices on telephone services, credit cards and bank accounts.

<sup>2</sup> The National Grange of the Order of Patrons of Husbandry (National Grange) is the oldest general farm and rural public interest organization in the United States. Founded in 1867, today the Grange represents nearly individual members affiliated with 2800 local, county and state Grange chapters across rural America. More than 70 percent of all local Grange chapters are located in communities of 5,000 persons or less.

or no fixed address can make even traditional land line service hard to obtain. In many instances, a wireless phone would be more practical—and appropriate—than a wire line phone, allowing for the freedom of mobility and convenience of modern day calling features.

As the future of communications moves to wireless, the disadvantaged members of our society should not be left behind. Payphones are almost extinct—and the ones that are available to consumers do not offer features that so many of us rely on today, voice and text messaging. Low-income consumers are experiencing not just a digital divide, but also a telephone fracture—without access to prevalent wireless technologies, they are not able to participate fully in society.

The FCC has stated that TracFone's request for ETC designation for "Lifeline-only services...would not affect the high-cost fund support." The FCC has said, **"Any increase in the size of the fund would be minimal and is outweighed by the benefit of increasing participation in the Lifeline program, furthering the statutory goal of providing access to low-income consumers."**

In this filing, Consumer Action and the National Grange strongly reiterate this FCC statement, offer our support for this concept and urge that the FCC not only approve the petition for regulatory forbearance and ETC designation, but also establish separate eligibility requirements and procedures for ETC designation for those carriers seeking to participate only in Lifeline. Low-income Americans deserve to have the same access to wireless and competitive services as do other consumers.

Prepaid wireless service is a good option for low-income consumers because there are no long-term contracts, no credit checks and no early termination penalties or late payment fees. With prepaid service, people pay only for the services they can afford. The proposal by TracFone Wireless, Inc. to offer Lifeline prepaid service would allow more low-income people to afford wireless service. Low-income consumers could enjoy the same services that other consumers currently receive with cell phones, including voice mail and other essential features.

This proposal would help to fulfill an important social imperative—ensuring that all Americans are able to communicate by telephone with family, support networks, employers and emergency services. From our viewpoint, consumers are not concerned with whether the telephone service they receive is through resellers or facilities-based providers. They are concerned with access, quality and price. The TracFone proposal offers Lifeline-qualified customers all three. We hope that your action in the near future to approve the pending TracFone ETC lifeline-only application will be approved quickly and that it will encourage other prepaid wireless providers to take the same initiative to pursue Lifeline ETC applications.

Sincerely,

Linda Sherry  
Director, National Priorities  
**Consumer Action**  
(202) 544-3088

Leroy Watson  
Legislative Director  
**National Grange of the Order of Patrons of Husbandry**  
(202) 628-3507 x114